

Message Text

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R 102316Z MAY 74
FM SECSTATE WASHDC
TO AMEMBASSY SAIGON
INFO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS
AMCONSUL BIEN HOA
AMCONSUL CAN THO
AMCONSUL DANANG
AMCONSUL HONG KONG
AMCONSUL NHA TRANG
USDEL JEC PARIS
USSAG
CINCPAC
USCG
XMT AMEMBASSY SUVA

UNCLAS STATE 097836

COGARD FOR POLAD

E.O. 11652: N/A
TAGS:PFOR, XC, US
SUBJECT: MAY 10, EA PRESS SUMMARY

INDOCHINA

1. SCHMIDT (CSM) SEES WH TAKING LESS RESTRAINED
VIEW THAN DOD OF SERIOUS IMPACT KENNEDY AMENDMENT
TO BLOCK MORE AID TO GVN THIS FY. DOD SPOKESMAN
FRIEDHEIM SAYS THAT WITHHOLDING FUNDS WOULD NOT
NECESSARILY HAVE IMMEDIATE EFFECT, BUT WOULD MEAN FUTURE
REDUCTIONS IN DELIVERY RATES AND THAT LOGISTICIANS
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HAVE TASK OF REAPPORTIONING AVAILABLE SUPPLIES.
SCHMIDT ALSO OPINES THAT FRIEDHEIM "MADE LIGHT"
OF FULBRIGHT ACCUSATION THAT PENTAGON SLIPPED 490
MILLION DOL ITEM INTO BUDGET THAT COULD BE USED

AT DOD DISCRETION AND MIGHT BE USED FOR GVN. FRIEDHEIM MAINTAINS THAT FUND WAS IN PREVIOUS BUDGETS, PURPOSE IS TO GIVE US "LOGISTICAL CUSHION" TO AVOID DRAWING ON EXISTING UNITS TO SEND EQUIPMENT TO ALLIES IN EMERGENCY; AND THAT THERE IS NO PLAN NOW TO USE FUND FOR VN "AS FAR AS I KNOW."

2. UNION SPOKESMAN REPORTS THAT CAPT. ADAMO ACQUITTED IN BRASS SMUGGLING CASE, EASING THREAT OF US MERCHANT SHIP BOYCOTT OF SVN PORTS (SUN). GVN MIL COURT

ACQUITS ADAMO AND THREE VIETNAMESE, SENTENCES NINE VIETS INCLUDING CUSTOMS OFFICIALS TO PRISON FOR ILLEGAL EXPORT OF BRASS ARTILLERY CASINGS TO HK. COURT SOURCE SAYS TRIAL WAS EXAMPLE BY GVN TO TRY TO STOP BRASS SMUGGLING (REUTER SAIGON).

3. VC TELL JMC THAT WILL NOT TAKE PART IN FUTURE NEGOTIATIONS ON CEASE-FIRE UNTIL ITS REPRESENTATIVES IN SAIGON ARE ACCORDED DIPLOMATIC PRIVILEGES AND IMMUNITIES. WITH EARLIER GVN SUSPENSION OF PARIS TALKS, ALL MACHINERY TO IMPLEMENT C-F COMES TO HALT. DIPLOMATIC OBSERVERS SAY ICCS WILL BE INEFFECTIVE BECAUSE IT REPORTS TO JMC (REUTER SAIGON).

4. MIL SPOKESMAN SAYS TWO MONTHS OF BLOODY FIGHTING AROUND KOMPONG SOM HAVE COST BOTH SIDES ABOUT 4000 KIA AND WIA. LON NOL CALLS ON REBELS IN CONSTITUTION DAY MESSAGE TO RALLY TO GKR AND THROW NVN AND VC OUT OF CAMBODIA; SAYS JUST FIGHT WILL SUCCEED AND DEFEAT ENEMY "IF WE UNITE IN TIME" (REUTER PP).

CHINA

5. ILLNESS FORCES CHOU EN-LAI TO MISS SENGHOR STATE BANQUET; LI HSIEN-NIEN TAKES HIS PLACE. FIRST TIME PEKING DIPLOMATS COULD REMEMBER CHOU MISSING STATE UNCLASSIFIED

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DINNER. OBSERVERS NOTED NCNA REPORT THAT CHOU AND LI HAD TALKS WITH SENGHOR THURSDAY AFTERNOON, AND SAW THIS INDICATING PREMIER'S INDISPOSITION WAS NOT SERIOUS (REUTER, WP). KREBS (NYT) NOTES CHOU HAS BEEN SCRUPULOUS IN ATTENDING ALL DINNERS GIVEN BY OR FOR FOREIGN GOVT HEADS VISITING PEKING.

6. AP ROME REPORTS RELIABLE SOURCES SAYING INTERNATIONAL TRACK AND FIELD FEDERATION (IAAF) HAS DECIDED TO ALLOW CHINA BACK IN AFTER 14-YEAR ABSENCE. MOVE COULD MEAN PRC REPRESENTATION IN 1975 OLYMPICS. OFFICIAL ANNOUNCEMENT EXPECTED FROM IAAF CONGRESS IN ROME, AUG. 30-3, SO CHINESE TRACK AND FIELD

TEAM WOULD BE ABLE PARTICIPATE IN TEHRAN'S SEPT. PAN-ASIATIC GAMES. SOURCES ADDED THAT DECISION EXPECTED TO STIR DEEP CONTROVERSY WITHIN IOC, AND 7-MAN IAAF DELEGATION WILL MEET PEKING AND GRC REPS IN LONDON, JULY 13-14. ONE SOURCE SAID ONLY QUESTION REMAINS WHAT TO DO WITH GRC; "WE WILL DO OUR BEST TO KEEP IT IN THE IAAF, BUT WE CANNOT GO AGAINST

HISTORY." IAAF DECISION SEEN PUTTING TREMENDOUS PRESSURE ON IOC TO OUST GRC; PRC AUTHORITIES HAVE GIVEN NO INDICATION WHETHER THEY WOULD COMPETE AT OLYMPICS IF THEIR STATUS WITH IOC SETTLED BY THEN (WP).

7. MIT ENGINEER JAN-OLAF WILLIAMS SUGGESTS OCEAN FLOOR OF CHINA MAY BE WORLD'S MOST PROMISING OIL FIELD -- BUT IS APPARENTLY OFF-LIMITS TO US FIRMS. SAYS CHINESE CONTINENTAL SHELF HAS PROBABLE RESERVES OF 20 BILLION BARRELS -- THREE PERCENT OF WORLD'S TOTAL; ESTIMATES CURRENT PRODUCTION AT 900,000 BARRELS DAILY WITH POSSIBILITY OF REACHING MILLION BARRELS LATER THIS YEAR. WILLIAMS SAYS PRC HAS INCREASED ITS EXPLORATION AND HAS PURCHASED MORE OFFSHORE RIGS RECENTLY; BUT "SEVERAL ANTI-WESTERN STATEMENTS" IN FEB. SEEM TO INDICATE WISH FOR STRONGER EMPHASIS ON INDIGENOUS CHINESE EFFORTS (UPI, JOC).

8. TAIWAN TV SETS PRODUCTION WAS LARGEST IN ASIA
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LAST YEAR, TOTALING 4,538,000 UNITS. MOST WERE EXPORTED TO US, ACCORDING CHINA TV CORP (WP).

JAPAN

9. NYT'S KOSHETZ AND WSJ REPORT ZENITH REQUESTING JUSTICE DEPT INTERVENTION TO BLOCK PROPOSED SALE OF MOTOROLA'S TV BUSINESS TO MATSUSHITA ON GROUNDS SALE IS "FLAGRANT" ANTI-TRUST VIOLATION. IN LETTER TO JUSTICE, ZENITH SAYS PROPOSED ACQUISITION "WOULD PERMIT MATSUSHITA TO MORE THAN DOUBLE ITS SHARE OF THE US TELEVISION MARKET WHILE MAINTAINING ITS DOMINANT POSITION IN JAPAN WHERE ITS PROFITS, GROSS MARGINS AND INVESTMENTS ARE EFFECTIVELY PROTECTED BY THE JAPANESE GOVERNMENT'S CONTINUING REFUSALS TO PERMIT ANY SIGNIFICANT COMPETITION FROM FOREIGN-OWNED COMPANIES."

10. JOC'S CULLISON, IN TOKYO, REPORTS MITI CONSIDERING MECHANISMS FOR DEVELOPING COAL RESOURCES ABROAD TO MEET JAPAN'S COAL REQUIREMENTS, WHICH EXPECTED TO RISE FROM PRESENT 76 MIL TONS PER ANNUM TO MORE

THAN 93 MIL TONS WITHIN ONLY FEW YEARS. MEANWHILE,

GOJ, WORKING CLOSELY WITH TRADING HOUSES AND INDUSTRY, INTENDS TO SEEK IMPORTS OF FUEL COAL FROM PRC. IMPORT GOAL OF CHINESE COAL IS 700,000 TO 800,000 TONS IN FY 1974, ENDING MARCH 31, 1975. TRIAL ORDER FOR 3,000 TONS OF HUAPEI FUEL-TYPE COAL ALREADY PLACED BY JAPAN AT CANTON FAIR. IF ALL GOES WELL, ACCORDING MITI SOURCES, PRC COULD BECOME MAJOR SUPPLIER OF VARIOUS TYPES OF COAL. TO BRING THIS ABOUT, JAPANESE ARE MOVING TO ESTABLISH FUEL COAL PANEL WITHIN PRIVATE JAPAN-CHINA ECONOMIC ASSN. WHICH WOULD EXPLORE AND EXPEDITE EXPANSION OF COAL IMPORTS FROM CHINA.

11. SEVERAL PAPERS FEATURE JAPAN EARTHQUAKE REPORTS, WITH PHOTOS.

THAILAND
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12. RTG ANNOUNCED THURSDAY THAT ARRANGEMENTS FOR WITHDRAWAL OF 10,000 US SERVICEMEN HAVE BEEN COMPLETED WITH USG, AND TROOPS WILL LEAVE BY END OF YEAR. SAID WITHDRAWAL WILL INVOLVE SOME STRATEGIC, TACTICAL AND SUPPORT AIRCRAFT FROM BASES THROUGHOUT COUNTRY, THAT INCLUDED WILL BE PORTION OF 50 B-52S LOCATED AT U-TAPAO, AND THAT AIRCREWS AND SUPPORT PERSONNEL WILL WITHDRAW WITH AIRCRAFT (REUTER BANGKOK).

KOREA

13. US MIL SPOKESMAN SAYS NK GROUND BATTERIES FIRED ON TWO US ARMY HELICOPTERS FLYING SOUTH OF TRUCE LINE THURSDAY. PILOTS ESCAPED INJURY, AND INCIDENT IS UNDER INVESTIGATION. FIRST ALONG TRUCE BORDER INVOLVING US HELICOPTERS SINCE AUG. 1969 (UPI, CHITRIB; CSM, NYT, WP).

COMMENT AND ANALYSIS

VIETNAM

14. SUN'S PARKS FROM SINGAPORE, CONTRASTS SAIGON WITH HANOI -AN ASIAN VERSION OF WEST BERLIN'S BRIGHT LIGHTS VERSUS DRAB CONFORMITY AND POVERTY OF SOCIALIST EAST. BUT MOOD IN HANOI IS ONE OF OPTIMISM. SOLDIERS ARE RETURNING FROM WAR FOR FIRST TIME IN MANY YEARS

AND COUNTRY IS CAUGHT UP IN ENERGETIC RECONSTRUCTION CAMPAIGN; MORE FOOD AVAILABLE NOW THAN IN MOST OF PAST DECADE. IN SAIGON THERE IS WIDESPREAD PESSIMISM

AND INCREASING DESPAIR. YOUNG BOYS STILL ARE DRAFTED INTO ARMY FOR NEXT 27 YEARS OF THEIR LIVES; NO DEMOBILIZATION; SAIGON'S BACK STREETS ARE FILLED WITH FUNERAL PROCESSIONS, NOT THE HOMECOMING PARTIES OF HANOI. RECONSTRUCTION IS AT MINIMUM; THERE IS ENOUGH FOOD BUT PEOPLE DIE OF STARVATION BECAUSE OF HIGH COST. CITES US ECONOMIST IN SAIGON THAT SVN LIVING STANDARDS ARE DROPPING TO LEVEL IN NVN AND ADJUSTMENT IS PAINFUL. ONE OF MOST SUBSTANTIAL UNCLASSIFIED

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DIFFERENCES IS LARGE AND STILL GROWING GAP BETWEEN RICH AND POOR IN SVN COMPARED WITH RELATIVELY UNIFORM LEVEL OF POVERTY IN NVN. WAR HAS MADE SOME VERY RICH IN SVN, BUT 87 PERCENT OF PEOPLE NOW MUST LIVE ON SUBSISTENCE INCOME OR LESS, ACCORDING TO SECRET GVN REPORT. BOTH COUNTRIES SERIOUSLY CONCERNED WITH POSTWAR SOCIAL ILLS, PARTICULARLY CRIME AND CORRUPTION. BUT THESE ARE OF MUCH SMALLER MAGNITUDE IN NVN; WHILE IN SVN, CRIMES OF VIOLENCE MULTIPLY AS ECON SITUATION WORSENS.

MAJOR DIFFERENCE IN LIFE IS WAY IN WHICH YOUNG MEN GO INTO ARMY. IN SVN, BARRING STUDENT DEFERMENT, LARGE BRIBE OR BOTH, THEY ARE CONSCRIPTED. IN NVN, RECRUITS VOLUNTEER AT RALLIES WHERE SOCIAL AND POLITICAL PRESSURE IS USED. IN CONTROLLING COUNTRYSIDE, HANOI WILL CONTINUE TO USE WORKERS PARTY TO GIVE POLITICAL DIRECTION TO LOCALLY ELECTED OFFICIALS. SAIGON, HOWEVER, IS REPLACING ELECTED LOCAL OFFICIALS WITH ARVN OFFICERS, THUS VIRTUALLY WRITING OFF ANY SORT OF DEMOCRATIC GOVT AS UNNEEDED WARTIME LUXURY. ON PAPER, SAIGON STILL HAS WIDE DIVERSITY OF POLITICAL OPINION. BUT IN PRACTICE, OPPOSITION PARTIES HAVE BEEN REDUCED TO TOKEN FORCE WITH LITTLE MORE EFFECTIVE POWER THAN NON-COMMUNIST GROUPS HAVE IN NVN. SPIRITUAL FATIGUE IN SVN IS SUCH THAT FEW CARE, AND FUNDAMENTAL WEAKNESS ON SAIGON SIDE REMAINS AS IT HAS FOR YEARS; COMMUNISTS ARE WELL-ORGANIZED, DISCIPLINED AND MOTIVATED, WHILE NON-COMMUNISTS ARE RELATIVELY LAZY, DISORGANIZED, CORRUPT AND GIVEN TO BITTER INTRAMURAL QUARRELS.

CHINA

15. FROM HK, S-N'S BRADSHER (MAY 9) SEES SIGNS OF CHOU FADING FROM POWER. CITES APPEARANCE IN PEOPLE'S DAILY OF STRONG NEW RADICAL ATTACK QUOTING MAO WARNING ON DANGER OF CAPITALISTIC "REVISIONISM, AND ESPECIALLY ITS EMERGENCE IN THE CENTRAL COMMITTEE OF OUR PARTY." SAYS ATTACKS BY RADICAL LEFTISTS AROUND MAO ON MODERATES ASSOCIATED WITH CHOU HAVE UNCLASSIFIED

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BEEN GRADUALLY GROWING STRONGER WHILE CHOU HAS BEEN NOTICEABLY LESS PROMINENT. LATEST SIGNS OF CHOU'S FADING CAME WITH SENEGAL PRES. SENGHOR'S VISIT. CHOU AND SUCH FOREIGN VISITORS USED TO SHARE SPOTLIGHT AT AIRPORT ARRIVALS. IN LAST FEW MONTHS ACTING DEFMIN YEH CHIEN-YING HAS SHARED IT. BUT WHEN SENGHOR ARRIVED MONDAY, OFFICIAL ACCOUNT LISTED "CHINESE LEADERS" AS WELCOMING HIM, WITH CHOU HEADING THE LIST BUT GIVEN NO SPECIAL PROMINENCE. AND WHEN SENGHOR MET MAO TUESDAY CHOU WAS ACCOMPANIED BY A DEPUTY PREMIER, AS IF TO DILUTE CHOU'S IMPORTANCE. ABSENCE OF YEH FROM RECEPTIONS FOR SENGHOR CAME AFTER USSR APPLIED INTENSE DIPLOMATIC PRESSURE ON CHINA WITH STRONGLY IMPLIED THREAT OF MIL PRESSURE IN DEMANDING RETURN OF HELICOPTER CREWMEN. BRADSHER RECALLS THAT ONE OF MAIN CHARGES AGAINST LIN PIAO IS THAT HE ACTED AS SOVIET AGENT AND IN THIS CONTEXT SAYS ANYONE IN PEKING WHO SUGGESTS BOWING TO SOVIET DEMAND WOULD LAY HIMSELF OPEN TO SIMILAR CHARGES.

SINGAPORE

16. CDN'S KEYES BEECH (ATLANTA CONST. MAY 7), WRITING FROM SINGAPORE, NOTES THAT THE CITY-STATE HAS PROSPERED UNDER LEE KUAN YEW. BUT LEE IS "SOBERLY TROUBLED" - HIS PROBLEMS, INTERNAL AND EXTERNAL, STEM FROM FACT THAT THE WORLD AROUND HIM HAS CHANGED, BUT HE HASN'T. FEW WEEKS AGO LEE SUMMONED FOREIGN NEWSMEN FOR BACKGROUND SESSION ON SUBJECT OF FUTURE OF SINGAPORE. AFTER RAMBLING TWO-HOUR DISCOURSE, SOME LEFT WONDERING WHY THEY HAD COME, ONE SAYING LEE SOUNDED LIKE A VETERAN TALKI

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